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SOUTHWEST INFORMATION OFFICE: Dallas, Texas

Technical information: (972) 850-4800 BLSInfoDallas@bls.gov www.bls.gov/regions/southwest

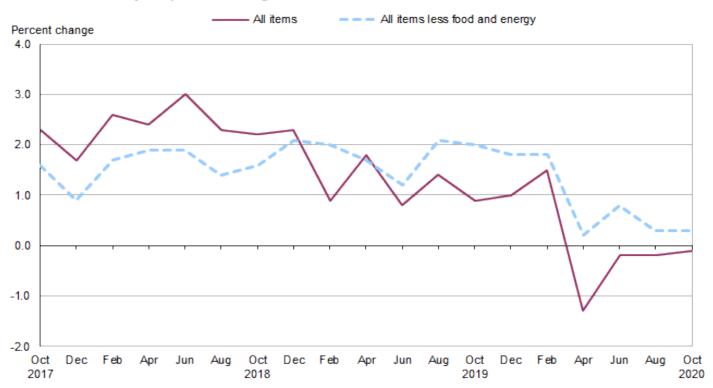
Media contact: (972) 850-4800

Consumer Price Index, Houston-The Woodlands-Sugar Land – October 2020 Area prices rise 0.4 percent in September and October, down 0.1 percent over the year

Prices in the Houston-The Woodlands-Sugar Land area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.4 percent for the two months ending in October 2020, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Michael Hirniak noted that advances in the indexes for all items less food and energy, up 0.3 percent, as well as energy, up 2.3 percent, contributed to the increase. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U inched down 0.1 percent. (See chart 1.) The index for all items less food and energy increased 0.3 percent over the year, and food prices rose 2.6 percent. Countering these increases, energy prices decreased 9.2 percent during the 12-month period. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Houston, TX, October 2017-October 2020



Source: U.S. Bureau of Labor Statistics.

Food

Food prices were unchanged for the two months ending in October. Prices for food at home rose 0.4 percent, but were balanced by a 0.3-percent decrease in prices for food away from home during the period.

During the 12 months ending in October 2020, food prices rose 2.6 percent, reflecting increases in prices for both food away from home and food at home, which rose 2.7 percent and 2.4 percent, respectively.

Energy

The energy index rose 2.3 percent for the two months ending in October, after rising 2.4 percent in the previous bi-monthly period. The increase during the latest period was due to higher prices for electricity (6.5 percent). Price declines in the other energy sub-components, motor fuel (-1.3 percent) and natural gas service (-0.4 percent), partially offset the electricity increase.

From October 2019 to October 2020, energy prices decreased 9.2 percent, largely due to lower prices for motor fuel (-21.7 percent), but also for natural gas service (-1.7 percent). Prices paid for electricity increased 5.2 percent over the past year, partially counteracting some of these decreases.

All items less food and energy

The index for all items less food and energy advanced 0.3 percent in September and October, after remaining unchanged in July and August. This latest increase was driven by higher prices for new and used motor vehicles (1.5 percent), recreation (1.6 percent), and owners' equivalent rent of residences (0.5 percent). These advances were partially offset by lower prices for medical care (-0.4 percent) and household furnishings and operations (-0.5 percent).

Over the year, the index for all items less food and energy increased 0.3 percent. The components most contributing to the increase included shelter (1.1 percent), medical care (3.6 percent), and used cars and trucks (11.9 percent). Partly offsetting the increases were price declines in apparel (-7.5 percent), motor vehicle insurance (-10.4) and education and communication (-1.9 percent).

The December 2020 Consumer Price Index for All Items for Houston-The Woodlands-Sugar Land is scheduled to be released Wednesday, January 13, 2021.

Coronavirus (COVID-19) Impact on October 2020 Consumer Price Index Data

Data collection by personal visit for the Consumer Price Index (CPI) program has been suspended since March 16, 2020. When possible, data normally collected by personal visit were collected either online or by phone. Additionally, data collection in October was affected by the temporary closing or limited operations of certain types of establishments. These factors resulted in an increase in the number of prices considered temporarily unavailable and imputed. While the CPI program attempted to collect as much data as possible, many indexes are based on smaller amounts of collected prices than usual, and a small number of indexes that are normally published were not published this month. Additional information is available at www.bls.gov/covid19/effects-of-covid-19-pandemic-on-consumer-price-index.htm.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 93 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 5,000 housing units and approximately 22,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details, see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, *The Consumer Price Index*, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. NOTE: **Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Houston-The Woodlands-Sugar Land, Texas, Core Based Statistical Area includes the counties of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-The Woodlands-Sugar Land, TX (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from -		
	Aug. 2020	Sep. 2020	Oct. 2020	Oct. 2019	Aug. 2020	Sep. 2020
All items	228.978	-	229.885	-0.1	0.4	
All items (1967 = 100)	734.414	-	737.324			
Food and beverages	239.293	-	239.535	2.7	0.1	
Food	239.684	-	239.760	2.6	0.0	
Food at home	228.335	228.679	229.235	2.4	0.4	0.2
Cereals and bakery products	267.366	-	274.075	3.6	2.5	
Meats, poultry, fish, and eggs	253.669	-	248.805	1.6	-1.9	
Dairy and related products	191.726	-	193.051	13.4	0.7	
Fruits and vegetables	274.276	-	279.219	-1.9	1.8	
Nonalcoholic beverages and beverage materials(1)	277.778	-	274.961	3.3	-1.0	-
Other food at home	201.431	-	203.768	1.7	1.2	-
Food away from home	247.018	-	246.178	2.7	-0.3	-
Alcoholic beverages	222.088	-	224.323	4.4	1.0	-
Housing	228.853	-	229.775	1.3	0.4	-
Shelter	272.459	273.002	272.643	1.1	0.1	-0.1
Rent of primary residence	269.235	268.725	269.307	1.7	0.0	0.2
Owners' equivalent rent of residences(2)	254.257	255.715	255.450	0.9	0.5	-0.1
Owners' equivalent rent of primary residence(2)	254.257	255.715	255.450	0.9	0.5	-0.1
Fuels and utilities	180.997	-	188.316	6.1	4.0	
Household energy	152.147	166.823	160.403	4.1	5.4	-3.8
Energy services	149.723	164.491	158.062	4.2	5.6	-3.9
Electricity	150.411	167.735	160.233	5.2	6.5	-4.5
Utility (piped) gas service	133.006	132.513	132.508	-1.7	-0.4	0.0
Household furnishings and operations	140.718	-	139.980	-1.7	-0.5	
Apparel	171.732	-	170.006	-7.5	-1.0	
Transportation	171.605	-	174.008	-5.5	1.4	
Private transportation	172.138	-	173.100	-5.6	0.6	
New and used motor vehicles(3)	87.421	-	88.710	1.5	1.5	
New vehicles(1)	161.492	-	163.290	0.0	1.1	
Used cars and trucks(1)	244.921	-	251.913	11.9	2.9	
Motor fuel	163.030	165.054	160.833	-21.7	-1.3	-2.6
Gasoline (all types)	163.006	165.036	160.815	-21.7	-1.3	-2.6
Gasoline, unleaded regular(4)	162.588	164.607	160.174	-22.5	-1.5	-2.7
Gasoline, unleaded midgrade(4)(5)	188.714	191.697	188.677	-16.8	0.0	-1.6
Gasoline, unleaded premium(4)	198.032	200.412	197.224	-15.3	-0.4	-1.6
Motor vehicle insurance(1)	662.834	-	663.465	-10.4	0.1	
Medical care	536.737	-	534.462	3.6	-0.4	
Recreation(3)	107.209	-	108.955	-0.4	1.6	
Education and communication(3)	120.790	-	120.190	-1.9	-0.5	
Tuition, other school fees, and childcare(1)	1,229.094	-	1,258.795	1.3	2.4	
Other goods and services	423.463	-	423.670	1.6	0.0	
Commodity and service group						
Commodities	171.823	-	171.495	-1.7	-0.2	
Commodities less food and beverages	140.548	-	140.038	-4.2	-0.4	
Nondurables less food and beverages	180.291	-	179.220	-9.1	-0.6	
Durables	100.628	-	100.471	0.9	-0.2	
Services	287.473	-	289.635	0.9	0.8	
Special aggregate indexes	242 624		242 045	0.7	0.6	
All items less shelter	212.621	-	213.815	-0.7	0.6	
All items less medical care	214.603	-	215.613	-0.4	0.5	

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-The Woodlands-Sugar Land, TX (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from -		
	Aug. 2020	Sep. 2020	Oct. 2020	Oct. 2019	Aug. 2020	Sep. 2020
Nondurables	209.610	-	209.175	-2.9	-0.2	_
Nondurables less food	182.610	-	181.764	-8.2	-0.5	-
Services less rent of shelter(2)	301.357	-	305.947	0.7	1.5	-
Services less medical care services	262.834	-	265.117	0.4	0.9	-
Energy	157.185	166.255	160.804	-9.2	2.3	-3.3
All items less energy	239.355	-	240.014	0.6	0.3	-
All items less food and energy	239.149	-	239.900	0.3	0.3	-

Footnotes

- (1) Indexes on an April 1978=100 base.
- (2) Indexes on a December 1982=100 base.
- (3) Indexes on a December 1997=100 base.
- (4) Special index based on a substantially smaller sample.
- (5) Index on a December 1993=100.
- Data not available.